

Bid Document Download Requirements

It is the responsibility of the vendor who downloads bid or RFP documents to check for addendums until five (5) calendar days before the bid opening or RFP due date. It is the responsibility of the vendor to incorporate any changes in the addendums into the bids or proposals submitted. The County of Maui does not maintain an on-line registration nor do we have any method of knowing who has downloaded our specifications.

If you submit a bid from a downloaded specifications, please send it in a distinguishable, sealed envelope that is clearly marked with the mailing address, the job or bid number, the due date, and "Bid" or "RFP" in large letters to the address stated in the bid documents. The County assumes no liability for accidentally opening a bid ahead of the bid opening that is not clearly marked.

If you're mailing or sending the bid through a delivery service, please be aware that it may take longer than advertised to reach our office, and please understand that by law we have to reject any bids that do not reach us by the set date and time for the bid opening.

PROPOSAL AND BID CONDITIONS
FOR
PROVISION OF PRIVATE SECURITY SERVICES
IN
VARIOUS PARKS AND PUBLIC AREAS
ON THE ISLANDS OF MAUI and MOLOKAI
JOB NO. IFB #12-13/P-93
DEPARTMENT OF PARKS AND RECREATION
COUNTY OF MAUI
WAILUKU, MAUI, HAWAI'I

INVITATION FOR BIDS

IFB NO. 12-13/P-93

INVITATION FOR BIDS

PROVIDING OF PRIVATE SECURITY SERVICES FOR VARIOUS PARKS AND PUBLIC AREAS ON THE ISLANDS OF MAUI & MOLOKAI DEPARTMENT OF PARKS AND RECREATION COUNTY OF MAUI

IFB NO. 12-13/P-93

Pursuant to Chapter 103-D, HRS, sealed offers shall be received and time stamped by the Bid Receiver, Purchasing Division, Department of Finance, 2145 Wells Street, Suite 104 (Wells Professional Building), Wailuku, Maui, Hawaii, 96793, by 2:00 o'clock p.m. on Thursday, May 2, 2013, and will then be publicly opened thereafter.

Specifications and Proposal Forms may be obtained at the Division of Purchasing, Department of Finance, located at 2145 Wells Street, Suite 104, Wailuku, Hawaii, or downloaded at <http://www.co.maui.hi.us/bids.aspx>. The Director of Finance reserves the right to accept or reject any and all offers.

All bidders shall possess a GDA license and also have a principal with a GD license held in the State of Hawaii at the time of the bid opening.

Bidders are required to comply with the newest procurement code, HRS, Chapter 103-D, any rules and regulations and policy directives issued with respect to Chapter 103-D and any amendments thereof.



DANILO F. AGSALOG
Director of Finance
County of Maui

PROPOSAL
IFB NO. 12-13/P-93

Director of Finance
County of Maui
200 South High Street
Wailuku, HI 96793

Dear Sir:

The undersigned hereby proposes to provide private security services on the island of Maui, Job No. 12-13/P-93, in full compliance with all provisions as outlined for the following monthly amounts. (See Attachments)

SECURITY SERVICES		TOTAL COST PER MONTH
<u>A. PROPOSAL #1 (Central Parks District)</u>		\$ _____
Fee/Hour:	> Non-Holiday \$ _____	
	> Holiday \$ _____	
1. Kanaha Beach Park & Campground	\$ _____	
• General Security & Monitoring Camping Sites/Lock Park Gates		
<input type="checkbox"/> 3 hours/day		
2. Waihee Beach Park	\$ _____	
• General Security & Lock Park Gates		
<input type="checkbox"/> .5 hour/day		
3. Leisure Estates	\$ _____	
• General Security & Lock Park Gates		
<input type="checkbox"/> .5 hour/day		
4. Ke'opuolani Park Complex	\$ _____	
• General Security & Lock Restrooms (including "Pit" Restroom) & Park Gates		
<input type="checkbox"/> 1 hour/day		
5. Papohaku Park	\$ _____	
• General Security & Lock Restrooms & Park Gate		
<input type="checkbox"/> .5 hour/day		

Total Service Hours/Day (Central): 5.5 hours

SECURITY SERVICES
B. PROPOSAL #2 (East Parks District)

TOTAL COST
PER MONTH
\$ _____

Fee/Hour: > Non-Holiday \$ _____
> Holiday \$ _____

1. H.A. Baldwin Park \$ _____

- General Security & Monitoring
☐ 1 hour/day
- Lock/Unlock Entry Gates [Unlock: 7 a.m.]
☐ .5 hour/day [Lock: 7:30 - 8 p.m.]

2. Makana Park \$ _____

- General Security/Lock Park Gates [8 - 8:30 p.m.]
☐ .5 hour/day

3. Lower Paia Park \$ _____

- Lock Restrooms [7:30 - 8 p.m.]
☐ .5 hour/Fri. & Sat.

4. Ho'okipa Beach Park \$ _____

- General Security/Lock Restrooms [Unlock: 5:30 a.m.]
& Park Gates [Lock: 7 - 7:30 p.m.]
☐ 1 hour/day
- Unlock Entry Gates
☐ .5 hour/day

5. Keokea Community Center/Park \$ _____

- General Security/Lock Park Gates & Restrooms [11 p.m. Mon. - Sun.]
☐ 1 hour/day

6. Kula Park & Restrooms \$ _____

- General Security / Lock Restrooms
& Park Gate [8 p.m. Mon. - Sun.]
☐ .5 hour/day

7. Harold Rice Park \$ _____

- General Security/Lock Restrooms
& Park Gates [7:30 p.m. Mon. - Sun.]
☐ .5 hour/day

8. Kula Community Center \$ _____

- General Security/Lock Facility & Restroom Doors, Entry Gates
☐ .25 hour/day [11 p.m. Mon. - Sun.]

9. 4th Marine Park \$ _____

- General Security/Lock Park Gate [8:30 - 9 p.m.]
- Lock Restrooms on Friday/Saturday only
☐ 1 hour/day

10. Haliimaile Park \$ _____

- Lock Restrooms [7 p.m. Mon. - Sun.]
☐ .5 hour/day

Total Service Hours/Day (East): 7.25 Hours (All days except Fri/Sat.)

Total Service Hours/Day (East): 7.75 Hours (Fri/Sat)

Proposal - 2

SECURITY SERVICES
C. PROPOSAL #3 (South Parks District)

**TOTAL COST
PER MONTH**
\$ _____

- Fee/Hour: > Non-Holiday \$ _____
> Holiday \$ _____
1. Poolenalena \$ _____
 - General Security & Lock Gates
☐ 1 hour/day
 2. Cove Park \$ _____
 - General Security & Lock Park Gate
☐ .5 hour/day
 3. Kamaole I, II, & III Beach Parks \$ _____
 - General Security, Lock Restrooms
& Park Gates
☐ 1 hour/day
 4. Kalama & Skateboard Park \$ _____
 - General Security & Monitoring
 - Lock All Gates
☐ 6 hours/day; 2 guards at all times*
 5. Maui Raceway Park \$ _____
 - General Security & Lock Park Gates
☐ 1 hour/day
 6. Haycraft Park \$ _____
 - General Security & Lock Park Gate
☐ 1 hour/day
 7. Hale Pi'ilani Park \$ _____
 - General Security & Lock Park Gate
☐ .25 hour/day
 8. Mai Poina Park \$ _____
 - General Security & Lock Restrooms
☐ .25 hour/day
 9. South Maui Community Park \$ _____
 - General Security & Lock Restrooms
☐ 3 hours/day [Between 10 pm - 1 am]

Total Service Hours/Day (South): 20.0 Hours

* - Kalama Park: 6 hrs./day x 2 guards = 12 hours

Proposal - 3

SECURITY SERVICES

D. PROPOSAL #4 (West Maui District)

D. PROPOSAL #4 (West Maui District)

Fee/Hour: > Non-Holiday \$

> Holiday \$

1. Papalaua Campground/Wayside Park \$_____

- General Security & Monitoring
 - 4 hours/day for 7 days week

2. Launiupoko Beach Park \$

- General Security
 - .5 hour/day

3. Hanakao Beach Park \$_____

- General Security
☐ .5 hour/day

4. Pohaku Park (S-Turn) \$ _____

- General Security
 - ☐ .5 hour/day

5. D.T. Fleming Beach Park \$_____

- General Security
 - ☐ .5 hour/day

6. West Maui Skate Park	\$
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- General Security & Monitoring
 - 2 hours/day

Total Service Hours/Day (West): 8 Hours/Day

**TOTAL COST
PER MONTH**
\$ _____

SECURITY SERVICES
E. PROPOSAL #5 (Molokai District)

**TOTAL COST
PER MONTH**
\$ _____

Fee/Hour: > Non-Holiday \$ _____
 > Holiday \$ _____

1. Papohaku Campground/Beach Park \$ _____
- General Security & Monitoring
 ☐ 4 hours/day

Total Service Hours/Day (Molokai): 4 hours

SECURITY SERVICES
F. PROPOSAL #6 (Maintenance Division)

**TOTAL COST
PER MONTH
\$ _____**

Fee/Hour: > Non-Holiday \$ _____
> Holiday \$ _____

1. Kepaniwai [Heritage] Park \$ _____
 - General Security / Lock Restrooms
& Lock Park Gate at 7 p.m.
[Walk through Park to inform public of
gate closure]
☐ .5 hour/day

Total Service Hours/Day (Maintenance Div.): .5 hours

Respectively submitted,

NAME OF FIRM

SIGNATURE OF BIDDER*

ADDRESS OF FIRM

PRINT OR TYPE NAME OF BIDDER

TELEPHONE NUMBER

PRINT OR TYPE NAME OF BIDDER

DATE SIGNED

FEDERAL ID/SOCIAL SECURITY NO.

GDA LICENSE NO.

NAME OF PRINCIPAL & GD LICENSE NO.

HAWAII STATE GENERAL EXCISE TAX LICENSE NUMBER _____

PLEASE SPECIFY TYPE OF ORGANIZATION:

INDIVIDUAL ____ PARTNERSHIP ____ CORPORATION ____

STATE OF INCORPORATION:

HAWAII _____ OTHER _____ PLEASE SPECIFY _____

*If corporation, please attach your corporate seal to this page, and also evidence of the authority of this officer to submit a bid on behalf of the corporation. Such authority must be in the form of a corporate resolution. Give also the names and addresses of the other officers of the corporation.

(SEAL)

PRIVATE SECURITY SERVICES
SPECIAL PROVISIONS
IFB No. 12-13/P-93

1. The provision of security guard services for various park facilities throughout the Island of Maui shall be in accordance with these Special Provisions, Proposal, Specifications, and General Conditions (Bid Documents) attached hereto.
2. Bid prices shall include all applicable taxes and other charges, except Federal Excise Tax from which the County is exempt, and shall be NET to the County.
3. Bidder shall deposit sealed offer with the Bid Receiver, Division of Purchasing, Department of Finance, 2145 Wells Street, Suite 104 (Wells Professional Building), Wailuku, Maui, Hawaii 96793. Faxed offers will be rejected.
4. Offer shall be in the hands of the Bid Receiver, Division of Purchasing, by 2:00 o'clock p.m. on the date designated for the bid opening. Offers mailed and post-marked earlier than the date and time specified, but received later, shall be rejected. Offers received and time stamped earlier at other locations, but received by the Bid Receiver later than the date and time specified shall also be rejected.
5. The County Director of Finance reserves the right to accept or reject any or all offers and to waive any minor or inadvertent discrepancy in the Bid Documents.
6. The County Director of Finance reserves the right to withhold award of contract for a period of thirty (30) calendar days from the date of the bid opening.
7. No bidder may withdraw his offer after the hour set for the opening thereof.
8. Bidder must complete and enclose with his/her offer his/her completed Certificate of Compliance for Wages, Hours and Working Conditions.
9. In the event of insufficient funding, the Director of Parks and Recreation may negotiate reduction in the scope of work.
10. Bidders are advised to inspect the sites and acquaint themselves with the existing conditions of grounds and facilities. Prospective Bidders may contact:
Floyd Miyazono for Central Maui District (270-7383); Willard Asato, East Maui District Supervisor (572-8122); Mary Kielty, South Maui District Supervisor (879-4364); Jeff Anderson, West Maui District Supervisor (661-4685); Zachary Helm, Molokai District Supervisor (808-553-3204).
11. Contractor shall possess a valid GDA business license and have at least one principal with a GD license held in the State of Hawaii before submitting a bid.

12. TERM OF THE CONTRACT: The term of the contract shall be for a period beginning from the "Notice to Proceed" and ending on June 30, 2014, unless otherwise agreed upon by the parties hereto, with an option to extend the term for an additional year period at the same bid prices, terms, and conditions.
13. BID PRICE. Bid price shall include all actual and implied expenses connected thereto to provide the security guard services as specified herein and shall include all applicable taxes.
14. ESTIMATED HOURS. The number of hours listed in the "Scope of Services" are estimates only to determine the bid price of the contract.
15. METHOD OF AWARD. Separate awards shall be made to the responsible and responsive bidder submitting the lowest TOTAL COST PER MONTH for each proposal (district) and whose services shall comply in all respects with the requirements herein.

The County, however, reserves the right to either delete, decrease, or increase the quantity of services/facilities specified and make award in accordance with the availability of funds, at the same contract bid price and under the same terms and conditions as specified herein. In the event the item is deleted or decreased and award is made in accordance with the availability of funds, any loss of anticipated profits from such deletion or decrease in quantity shall not constitute grounds for equitable adjustment under the control of the contract.

16. INDEPENDENT CONTRACTORS. The Contractor shall be deemed to be an independent contractor and not the agent, servant, representative, or employee of the County and shall not at any time be represented as a County employee.
17. INDEMNIFY. The Contractor shall conduct its activities so as not to endanger any person and shall indemnify, save, and hold harmless the County and its officers, agents, and employees from any and all claims for losses, injuries, damages and liabilities to persons or property occasioned, in whole or in part, by the acts or omissions of the Contractor, its officers, agents, employees, or any person(s) under the control of the Contractor.
18. PAYMENTS. Unless otherwise specified, monthly payments shall be made only after completion of performance or delivery of all services called for in the contract or Purchase Order.

Monthly payments to the Contractor shall be based on the bid price per month, payable upon submission of the required number of copies of invoices and certifications by the County of Maui Department of Parks and Recreation Officer-in-Charge or an authorized representative of such, that the Contractor has faithfully performed the required services in accordance with the terms of this Agreement.

19. ADJUSTMENTS TO CONTRACT UNIT PRICES. Adjustments to the contract unit price shall be permitted when the prevailing wage rate for the State of Hawaii or County Civil Service workers performing work similar to that of the security guard is increased. The contract unit bid price shall be increased the same percentage as the hourly wage rate increase for the State of Hawaii or County Civil Service workers performing work similar to that of a security guard. The services to be rendered herein have been determined to be similar to work performed by a Security Attendant I, with a Wage Rate SR-6.

20. ADDITIONAL SERVICES AND/OR PERSONNEL. During the term of the contract, the County reserves the right to negotiate with the Contractor for the furnishing of additional service should the need for additional services be required.

Additional services shall be made a part of the contract by issuance of a letter, and acceptance shall be made by appropriate endorsement by the Contractor on said letter.

Should the designated park facilities require additional security personnel, the Contractor shall provide comparable personnel at the same unit bid price and under the same terms and conditions as specified herein.

21. COMPLIANCE WITH STATE LAWS. No mechanics, clerks, laborers, or other employees employed upon the work herein contemplated in the employment of the Contractor, or any subcontractor, shall be required to work more than the hours of work prescribed in Chapter 388, Hawaii Revised Statutes, and all acts amendatory thereof; and that no mechanics or laborers other than a citizen of the United States or eligible alien shall be employed.

22. INSURANCE. The Contractor shall procure and keep in force at all times during the term of this contract, at its own cost and expense, a policy of policies of General Liability Insurance as will protect it and the County from and against any liability for loss or damage to real and personal property or injury or death of persons which may arise out of the exercise of the rights and duties of the Contractor as provided herein. The minimum limits of such policy shall not be less than \$500,000 for bodily injury, or death per person; \$50,000 for property damages of third persons. In addition, the Contractor will procure and keep in force at all times during the term of the contract, a policy as to claims for liability arising out of the negligent acts, errors, or omissions of the Contractor, its employees or agents, in the performance of the services to be rendered. The limits of such policy shall be not less than \$500,000. Said policy or policies shall name the County as an additional co-named insured, and the Contractor will provide a certificate or other satisfactory evidence of such insurance to the County prior to the execution of this contract.

23. PROPERTY DAMAGE. The Contractor shall be responsible for any and all damages to the park premises resulting from security guard services

24. PAYROLL AFFIDAVIT. The Contractor shall submit to the County of Maui Department of Parks and Recreation, Parks District Supervisors, on a monthly basis, a payroll affidavit. All persons employed for the work herein contemplated in the employment of the Contractor, or any subcontractors, shall be paid in compliance with Federal and State Labor Laws relating to Worker's Compensation, Employment Compensation, Payment of Wages and Safety. Failure to comply with this provision is just cause for cancellation of contract.

The payroll affidavit shall include the following information:

1. Pay Period
2. Name, Social Security number, hours worked, hourly pay and total payment for pay period for each employee.

25. INTERPRETATION OF PROVISIONS. Notwithstanding any provisions, if there is any doubt as to the interpretation of any of the provisions of this Agreement, the interpretation given and made by the Officer in Charge or an authorized representative of same, with the approval of the County Director of Finance or the interpretation made by the Director shall govern and control. In addition, the parties hereto agree that said Director shall have the sole power to decide and resolve matters which may come up in the future and which are not covered by this Agreement.

In the event any item or service furnished by the Contractor in the performance of the contract should fail to conform to the Specifications thereof, the Director may reject the same, and it shall thereupon become the duty of the Contractor to correct and immediately replace any such rejected item or service with another that *does* conform to the Specifications without expense to the County.

Should the Contractor fail, neglect, or refuse to comply with Specifications, the County shall thereupon have the right to purchase in the open market a corresponding quantity of such item or service and to deduct from any money due or that may thereafter become due to the Contractor the difference between the price named in the contract and the actual cost thereof to the County. In case any money due the Contractor is insufficient for said purpose, the Contractor will pay the difference upon demand by the Director. In the event the Contractor fails to make prompt delivery as specified of any item or service, the same conditions as to the rights of the County to purchase in the open market and reimbursements as set forth shall apply, except when delivery is delayed by fire, strike, freight embargo, or act of God or of the Government.

26. TERMINATION. The performance of the work or services under this contract may be terminated in whole or in part whenever the Director shall determine that termination of this contract is necessary and in the best interest of the County. In such event, the County shall be liable only for payment in accordance with the payment provisions as set forth in these Special Provisions herein for work or services performed prior to the effective date of termination. The termination of work or services hereunder shall be effective upon thirty (30) calendar days of the written notice to the Contractor.

27. **BREACH OF CONTRACT.** In the event of any breach of the terms of the contract by the Contractor, the County shall have, in addition to any recourse, the right to terminate the contract without service of notice or resort to legal process and without any legal liability on its part.

Further, the Director of Finance reserves the right to suspend the Contractor from bidding on any or all County bids for a period of one (1) year or longer. The County may also utilize all other remedies as provided by law.

28. Any questions pertaining to the technical aspects of this solicitation shall be directed to the Department of Parks and Recreation, Chief of the Recreation and Support Services Division (phone 808-270-7383 or fax to 808-463-3895).

Any questions pertaining to this solicitation may be directed to Bruce Milliken, County of Maui Purchasing Division (phone 808-249-2403, Ext. 32 or fax to 808-249-0839).

Questions must be received at least ten (10) calendar days prior to the bid opening date.

Any acceptable modifications or clarifications shall be made by issuance of an addendum, and shall be given by written notice to all parties.

29. The Purchasing General Terms and Conditions for Goods and Services for the County of Maui applies and is available on the County website at www.mauicounty.gov.
30. The successful offerer shall be required to submit an original Certificate of Vendor Compliance issued through the State of Hawaii Procurement Office. The Hawaii Compliance Express (HCE) furnishes proof of compliance with the requirements of 103D-310[c], HRS. This single document provides compliance with the IRS, DCCA, Department of Labor, and State Tax offices. **This certificate is required prior to an award of contract.**
31. A Certificate of Compliance for Final Payment affirming that the contractor has, as applicable, remained in compliance with all laws required by this section (3-122-112 HAR), must accompany the invoice for final payment on the contract. The Certificate of Vendor Compliance (noted above) is also required. **These certificates are required prior to final payment of the contract.**

Bidders are encouraged to use the Hawaii Compliance Express website to obtain these certificates. The State of Hawaii website to accomplish this is: <http://vendors.ehawaii.gov>.

**SPECIFIC SPECIFICATIONS
PAPOHAKU BEACH PARK & CAMPGROUNDS~
~ MOLOKAI ~**

IFB No. 12-13/P-93

1. Hours of service is set for 7:00 p.m. to 11:00 p.m., but may change due to seasonal changes in daylight.
2. The Security Officer on duty is to be in uniform and carry a cell phone and working flashlight.
3. Part of the Security Officer's responsibilities is to monitor and report maintenance issues, such as broken water lines, damaged facilities, etc. Immediate concerns should be called in to the Police Department, who will contact the proper person to respond.
4. No vehicles should be inside the park except for County Parks' vehicles or refuse trucks and emergency vehicles. There are two (2) chain-gates for which County personnel have keys. By the time the Security Officer comes on duty, the gates should already be locked.
5. The camping area is designated by a rail fence. Only people with valid Department of Parks and Recreation issued permits are allowed. An exception is given for the following:
 - a. Latecomers from Sunday to Thursday nights **ONLY** must be informed to obtain a camping permit on the next day in order to use the campgrounds. People without permits arriving on Friday or Saturday or on a day before a legal holiday must leave.
 - b. Latecomers from the previous day must have obtained a permit by the next day. Anyone contacted the previous day who has not obtained a permit by the second day must vacate the camping area.
6. The non-camping area is designated as "Day Use Only". Camping is not permitted in the "Day Use" area at any time after dusk. During daylight hours, tents/shelters may be erected, but must be taken down after sundown.
7. Loitering is not allowed in the parking lot.

RESPONSIBILITY OF OFFERERS

HRS Chapter 237 tax clearance requirement for award and final payment. Instructions are as follows:

Pursuant to §103D-328, HRS, the successful offerer shall be required to submit a tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS). The certificate is valid for six (6) months from the most recent approval stamp date on the certificate and must be valid on the date it is received by the purchasing agency.

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX TAX CLEARANCE APPLICATION Form A-6 (rev. 1998) which is available at the DOTAX and IRS offices in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website (Forms & Information): http://www.state.hi.us/tax/tax.html	
DOTAX Forms by Mail:	(808) 587-7572 1-800-222-7572
DOTAX Forms by Fax:	(on Oahu) (808) 587-7572 (outside Oahu) (808) 678-0522

Completed tax clearance applications may be mailed to one of the district tax offices listed on the application or faxed to one of the following numbers. If mailed, out-of-state s should send their application to DOTAX Oahu District Office.

IRS:	(808) 541-1976
DOTAX:	Oahu (808) 587-1720 or (808) 587-1488
	Maui (808) 984-8522
	Kauai (808) 274-3461
	Hawaii (808) 974-6300

The application for the clearance is the responsibility of the Offerer, and must be submitted directly to the DOTAX or IRS and not to the purchasing agency.

Contractor is required to submit a tax clearance certificate for final payment on the contract. A tax clearance certificate, not over two months old, with an original green certified copy stamp, must accompany the invoice for final payment on the contract.

HRS Chapters 383 (Unemployment Insurance), 386 (Workers' Compensation), 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care) requirements for award. Instructions are as follows:

Pursuant to §103D-310(c), HRS, the successful Offerer shall be required to submit an approved certificate of compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The certificate is valid for six (6) months from the date of issue and must be valid on the date it is received by the purchasing agency.

The certificate of compliance shall be obtained on the State of Hawaii, DLIR *APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH SECTION 103D-310(c)*, HRS, Form LIR#27 which is available at www.hawaii.gov/labor, (choose "Forms" under Library Resources) or at the neighbor island DLIR District Offices. The DLIR will return the form to the Offerer who in turn shall submit it to the purchasing agency.

The application for the certificate is the responsibility of the Offerer, and must be submitted directly to the DLIR and not to the purchasing agency.

HRS Section 103D-310 (c) (1) or (2) requirement for award. To be eligible for award, the Offerer must comply with either §103D-310 (c) (1) or §103D-310(c)(2), HRS, as follows:

§103D-310(c)(1) Hawaii business. A business entity meeting the requirement of §103D-310(c)(1), referred to as a "Hawaii business", is incorporated or organized under the laws of the State of Hawaii. As evidence of compliance, Offerer shall submit a *CERTIFICATE OF GOOD STANDING* issued by the Department of Commerce and Consumer Affairs Business Registration Division (BREG). A Hawaii business that is a sole proprietorship, however, is not required to register with the BREG, and therefore not required to submit the certificate. An Offerer's status as sole proprietor and its business street address indicated on the Offer Form page OF-1 will be used to confirm that the Offerer is a Hawaii business.

§103D-310(c)(2) Compliant non-Hawaii business. A business entity meeting the requirement of §103D-310(c)(2), referred to as a "compliant non-Hawaii business," is not incorporated or organized under the laws of the State of Hawaii but is registered to do business in the State as a separate branch or division capable of fully performing under the contract. As evidence of compliance, Offerer shall submit a *CERTIFICATE OF GOOD STANDING*.

To obtain a *CERTIFICATE OF GOOD STANDING* go online to www.BusinessRegistrations.com and follow the prompt instructions. To register or to obtain a "Certificate of Good Standing" by phone, call (808) 586-2727 (M-F 7:45 to 4:30 HST). The "Certificate of Good Standing" is valid for six months from date of issue and must be valid on the date it is received by the purchasing agency.

Offerers are advised that there are costs associated with registering and obtaining a "Certificate of Good Standing" from the DCCA.

Timely Submission of all Certificates. The above certificates should be applied for and submitted to the purchasing agency as soon as possible. If a valid certificate is not submitted on a timely basis for award of a contract, an offer otherwise responsive and responsible may not receive the award.

Final Payment Requirements. In addition to a tax clearance certificate a "Certification of Compliance for Final Payment" (SPO Form-22) will be required for final payment. A copy of the Form is also available at www.spo.hawaii.gov. Select "Forms for Vendors/Contractors" from the Chapter 103D, HRS, pop-up menu.

INFORMATION ON HAWAII STATE TAXES ADMINISTERED BY THE DEPARTMENT OF TAXATION

(NOTE: References to "married", "unmarried", and "spouse" also means "in a civil union", "not in a civil union", and "civil union partner", respectively.)

This publication provides a general overview of the most common Hawaii State taxes paid by businesses that are located in Hawaii and by businesses that are not located in Hawaii but which conduct business in Hawaii. Tax forms, other publications, and specific information applicable to your particular business situation may be obtained from a Department's customer service representative which may be reached by telephone at (808) 587-4242 or toll free at 1-800-222-3229, by e-mail at Taxpayer.Services@hawaii.gov, or at the Hawaii Department of Taxation, P.O. Box 259, Honolulu, HI 96809-0259. Forms and information on Hawaii's taxes are also available at the Department's website at: www.hawaii.gov/tax.

GENERAL EXCISE TAX

The General Excise Tax Law taxes persons (individuals, corporations, partnerships, or other entities) on the gross receipts or gross income they derive from their business activities in the State. The tax is often called a gross income tax because deductions for business expenses such as materials, labor, travel, office supplies, etc., generally are not allowed.

This tax is also often referred to as a "sales tax." The general excise tax, however, is not a sales tax and differs from a sales tax in a number of ways. First, the general excise tax is levied on the person conducting the business; a sales tax is levied on the customer. Second, a common practice in Hawaii is to separately state and visibly pass on to the customer an amount representing the cost of the business' general excise tax liability (in a manner similar to a sales tax which is separately charged and collected from purchasers). If a business adopts this practice, the amount visibly passed on as tax must be included in the business' gross income subject to the tax. Unlike a sales tax, the amount visibly passed on as tax cannot be excluded from the gross income subject to the tax. A business is not required to separately state an amount of the sales price representing a general excise tax pass-on. Third, the general excise tax is levied on gross income at all levels of business activity unless specifically exempted by law. Sales taxes, on the other hand, usually are levied on sales of tangible personal property only at the retail level. Examples of income subject to the general excise tax include gross income derived from: sales of tangible personal property at both wholesale and retail; contracting; the rendering of services; commissions; and the rental of personal or real property.

Because the general excise tax is levied on the business rather than the customer, the gross income a business receives from transactions with tax exempt customers, such as nonprofit organizations and government agencies, is subject to the general excise tax. The customer's general excise tax status does not affect the business' general excise tax liability on the business income. For example, a business must pay general excise taxes on the gross amount it derives from contracts with a State or county government agency. There are, however, a few activities specifically exempt by law when dealing with the federal government, its agencies and instrumentalities. Some of these exemptions have been suspended through June 30, 2013.

Out-of-state businesses as well as businesses located in Hawaii are subject to the general excise tax on activities in the State.

Gross income derived from the sale or leasing of tangible personal property, the rental of real property, or the provision of services is subject to the general excise tax if the seller has sufficient presence in the State. Presence in the State is established if your business has an office, inventory, property, employees, or other representation in the State, or if services in conjunction with the sales of property, such as training, installation, or repairs, are provided in the State. The furnishing of personal or other services in the State and the leasing of tangible personal property located in Hawaii are other examples of transactions which are taxable. You must thoroughly analyze the facts and circumstances surrounding your transaction when determining whether there is sufficient presence. Out-of-state businesses are encouraged to contact the Department of Taxation regarding their specific circumstances.

The general excise tax rate is .5% on gross income derived from wholesaling and certain services rendered to or for an intermediary or manufacturer. Gross income from all other business activities is taxed at the rate of 4% except for a special .15% rate for insurance commissions. The City and County of Honolulu's .5% county surcharge is applied to all gross receipts in that county that are subject to the general excise tax at the 4% tax rate. Taxpayers are encouraged to contact the Department regarding their specific circumstances because certain business activities, such as wholesaling and contracting, are narrowly defined in the law and some exemptions or credits are available.

An application for a general excise tax license, Form BB-1, must be completed and submitted to the Department with a \$20 license fee prior to doing business in the State. A "one-time" license may be requested if you do not anticipate doing any additional business in the State. Licenses may be obtained by mail or in person from any district tax office, or via the Internet at www.hbe.hawaii.gov.

A tax exempt organization is not subject to the general excise tax on certain types of income it receives. An organization may apply for exempt status by completing Form G-6, Application for Exemption From General Excise Taxes, or Form G-6S, Application for Exemption From General Excise Taxes (Short Form). The organization should submit the application to the Department with a \$20 registration fee. The fee is not necessary if the organization already has a general excise tax license.

Periodic general excise tax returns must be filed on a monthly, quarterly, or semiannual basis and are due on or before the 20th day of the month after the close of each period. An annual return, which summarizes the payments made on the periodic returns, reports the actual income earned for the taxable year, and reconciles the differences by paying any additional amount due or claiming a refund for any over-reporting, also must be filed by the twentieth day of the fourth month following the close of the tax year.

USE TAX

A use tax is levied on the landed value of tangible personal property and on the value of services and contracting imported into Hawaii for use in the State. The "landed value" is the value of the property at the time it arrives in Hawaii and includes the invoiced or manufactured cost of the property, freight, insurance, and any other

costs incurred prior to the arrival of the property in Hawaii. "Value" means fair and reasonable cash value at the time of accrual of the tax.

The use tax complements the general excise tax and is levied at comparable rates. The landed value of tangible personal property or the value of services or contracting imported for consumption and not for sale is taxed at the rate of 4%. The landed value of imported tangible personal property or the value of imported services or contracting which will be sold at the retail level or the landed value of imported tangible personal property which will be leased or rented to another person or business is subject to the use tax at the rate of .5%. The use tax is not imposed on tangible personal property, services, or contracting imported for sale at wholesale. The City and County of Honolulu's .5% county surcharge is applied to all imports into that county that are subject to the use tax at the 4% tax rate."

It is not necessary for a taxpayer with a general excise tax license to separately register for the use tax. The general excise tax return forms are used to report both the general excise tax and the use tax. There also is a registration and reporting procedure for a taxpayer that is not subject to the general excise tax but sells tangible personal property or services to purchasers in Hawaii (Seller's Collection of Use Tax).

WITHHOLDING TAXES

Employers are required to withhold State income taxes on compensation paid to employees for services performed in Hawaii. Employers must register with the Department by completing Form BB-1. A business may register for withholding tax purposes at the same time it applies for a general excise tax license or may later amend the original application to add the withholding tax by completing Form BB-1X.

Periodic withholding tax returns must be filed on a monthly or quarterly basis and are due no later than the fifteenth day of the month following the close of the reporting period. An annual return, which summarizes the monthly or quarterly returns, reconciles the actual total wages paid and the actual taxes withheld during the year with what was reported during the year, and transmits the State copy of Form HW-2 (or federal Form W-2), also must be filed by the last day of February following the close of the calendar year.

NOTE: The unemployment tax is not administered by the Department of Taxation. Anyone with employees in the State should contact the State Department of Labor and Industrial Relations for information. Employers are required to register with the Unemployment Insurance Division by completing Form BB-1.

INCOME TAXES

Net taxable income is subject to State income tax. Income tax returns must be filed by all taxpayers (e.g. individuals, corporations, trusts, and other entities) doing business in Hawaii, whether or not a net profit or loss is realized. Although there are differences, Hawaii Income Tax Law generally follows the federal Internal Revenue Code in computing the net taxable income. Hawaii resident individuals are taxed on all income from all sources. Hawaii corporations are taxed on all income, except income apportionable and taxable under the law of another state.

Generally, all other taxpayers are taxed on income from their activities in Hawaii. Income tax returns are due by the twentieth day of the fourth month following the close of the tax year.

PENALTIES AND INTEREST

In general, penalty and interest are assessed at the same rates for all State taxes. Two types of penalties may be imposed. A penalty for failing to file a return by the due date is assessed at the rate of 5% of the unpaid tax due for each month or part of a month the return is late up to a maximum of 25%. A penalty also is assessed when a return is filed on time but the tax due is not paid in full. This failure to pay penalty is 20% of the tax not paid within 60 days of the due date of the return. A penalty of up to 25% may be imposed if any part of any underpayment is due to negligence or intentional disregard of rules. Interest is charged on any unpaid tax and penalty at the rate of 2/3 of 1% for each month or part of a month the amounts remain unpaid. Funds from a payment are first applied to interest and then to penalty. The remaining balance of a payment is then applied to the tax due.

Taxpayers that are required to make payments by electronic funds transfer (EFT) and fail to do so without reasonable cause are subject to a penalty of 2% of the amount of the tax due. This penalty is in addition to the failure to file and failure to pay penalties. Tax payments are required to be made by EFT if the taxpayer's annual liability for all taxes other than withholding is more than \$100,000.

Taxpayers may be subject to the penalty for underpayment of estimated taxes if not enough tax is paid through withholding or estimated tax payments. The penalty is 8% per annum for the period of underpayment.

TAX CLEARANCES

Tax clearance certificates issued by the Department and/or the Internal Revenue Service (IRS) may be required for various purposes. For example, a tax clearance must be obtained before acquiring or renewing a State contractor's license or a county liquor license, or submitting a bid for or receiving final payment on a State or county government contract.

Under current Hawaii law, any business entity intending to enter into (or to bid on) a contract with an agency of the State or with any of the four counties is required to obtain a tax clearance certificate from both the Department and the IRS prior to entering into a State or county contract, as well as upon completion of the contract before final payment is made. A tax clearance must be obtained through Hawaii Compliance Express for all contracts and procurements of \$2,500 or more.

A completed Tax Clearance Application, Form A-6, may be submitted either to the Department or to the IRS by mail, fax, or in-person. A tax clearance may also be applied for via the Internet at www.ehawaii.gov/efile. A tax clearance certificate is issued if all returns due are filed and all tax liabilities are paid. There is no fee for obtaining tax clearance certificates.

Hawaii tax forms and other information are available at the Department's website at: www.hawaii.gov/tax